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COUNTY COMMISSIONERS



MICHAEL P. KOHLMAN, CPE
CHIEF COUNTY ASSESSOR

BEAVER COUNTY COURTHOUSE
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2194
TELEPHONE: Area Code 724-728-3934 Ext. 338
July 31, 2000

Mr. Richard W. Towcimak, Controller
Beaver County Courthouse
810 Third Street
Beaver, PA 15009

RE: Audit Report

Dear Mr. Towcimak:

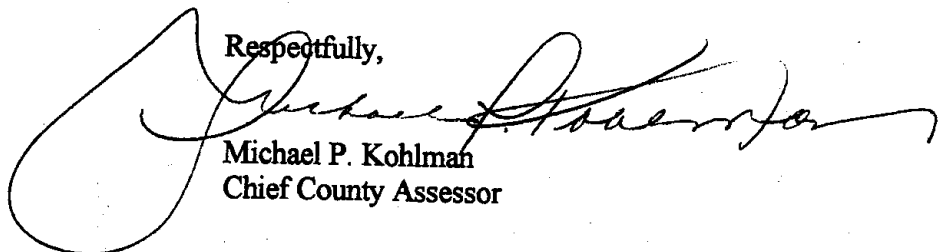
Attached, please find those responses to the findings noted in the audit report of the Office of Assessment and Tax Claim for the period January 1, 1999 through December 31, 1999.

I appreciate the opportunity to respond to those findings and have hopefully addressed them accordingly.

I do contend that the professional ability of your auditors to comprehend, perform and conduct their objective among the extremely busy workloads of Assessment and Tax Claim personnel is highly commendable. I am positive that we all have a better appreciation for each of our duties and responsibilities.

Should you have any questions or require additional information regarding this matter, please contact me.

Respectfully,



Michael P. Kohlman
Chief County Assessor

MPK/jmf

attachment

Observation 1: Inadequate accountability for the money being held in the Tax Claim Overbid Account

Corrective Action Implemented By the Office of Tax Claim:

The overbid account report was adjusted and updated to reflect the nine Upset Tax Sale receipts and the report accurately represents the undisbursed funds for these receipts. The supervisor was advised to maintain a more timely fashion of adjusting the report.

Initial research of individual parcels listed on the "Money Being Held in the Sale Account" report has revealed at least one parcel inadvertently left on the list though disbursement had previously been made. The supervisor has been instructed to make a complete and thorough research of the balance of parcels on the list and make the appropriate adjustments. It is the contention of the Chief County Assessor that no fund shortage exists, but a more accurate reporting mechanism should be maintained.

Consequently, the Tax Claim Supervisor has been directed to conduct monthly reconciliation of the "Money Being Held in Sale Account" report to the check register and bank account statement to confirm fund balances.

Date Corrective Action Was Implemented: July, 2000

Observation 2: Unverified Deposit Procedures

Corrective Action Implemented By the Office of Tax Claim:

The Tax Claim Bureau, in conjunction with the Treasurers Office has developed a procedure for verification of fund transfers requiring personnel from both offices to count and verify such relinquishment of funds from the Tax Claim Bureau.

Date Corrective Action Was Implemented: June, 2000

Observation 3: Need for Improved Control Over Upset and Judicial Sale Receipting Procedures

Corrective Action Implemented By the Office of Tax Claim:

Software program changes have been made to the automated receipting system for tax sales, incorporating numbered receipts. All void receipts are now required to be placed in sale files regarding tax sales. No blank checks are acceptable as prepayment on the sale of properties and accounts must be established prior to any sale. Each "account" shall be prepared and drawn against in the event of multiple purchases. If no account is established by prospective purchasers and a property is bid, then the funds by check, will be limited only to the purchase of the successful bid.

Date Corrective Action Was Implemented: July 10, 2000

Observation 4: Lack of Control Over Manual Receipts

Corrective Action Implemented By the Office of Tax Claim:

The Tax Claim Bureau now utilizes a receipt booklet, identifying each receipt page in sequentially numbered order. The supervisor has been charged with responsibility to monitor the issuance of manual receipts and to account for all valid and void receipt numbers. Manual receipts for the collection of Tax Claims will be implemented only upon the periods of down time and inoperability of the main frame computer.

Date Corrective Action Was Implemented: July, 2000

Observation 5: No Bank Validation on Deposit Slips

Corrective Action Implemented By the Office of Tax Claim:

The Bank does not count nor sum the check amounts during deposit, they simply recount the cash and insert the check totals and produce a total deposit receipt. Tax Claim Bureau personnel maintain a copy of the detailed deposit slip showing cash count and check total, a separate adding machine tape is maintained and attached to this copy showing the summation of each check. The Tax Claim Bureau is not inclined to submit duplicate deposit slips to the bank because of the potential of confusion upon bank personnel straying from their daily process.

Observation 6: Control of Unissued Check Stock

Corrective Action Implemented By the Office of Tax Claim:

The Tax Claim Bureau shall purchase a cabinet or like appliance with locking capability.

Date Corrective Action Was Implemented: Search for locking cabinet started July, 2000.

Observation 7: Clerical Errors in Catastrophic Loss Calculations

Corrective Action Implemented By the Office of Assessment:

Programming changes have been made to the automated calculation of this procedure to assure greater accuracy of conclusions regarding the catastrophic loss appeal section of the Assessment Law.

Date Corrective Action Was Implemented: June, 2000

Observation 8: No documentation was located for the certification of the 2000 Assessment Roll by the Board.

Corrective Action Implemented By the Office of Assessment:

The Chief County Assessor affirms that the 2000 Assessment Roll was certified pursuant to section 703 of the Fourth through Eighth Class County Assessment Law (72 P.S. §5453.703). Consequently, the Chief Assessor as agent of the Board and by certificate to the Chief Clerk, secretaries of the various school districts and clerks and secretaries of the various municipalities documents that the roll is certified with respect to the value of real property. However, in order to maintain consistency and create a procedure to eliminate doubt, the Chief Assessor shall advise the Board of Assessment Appeals of the total assessments, each November at the scheduled meeting of the Board for purposes of certification.

Date Corrective Action Was Implemented: November, 2000 for 2001

Observation 9: There was no authorization or documentation on file for the Chief County Assessor making changes and over riding parcels on the additions and revisions list.

Corrective Action Implemented By the Office of Assessment:

Generally, the Chief County Assessor requires the work records (maintenance) to be pulled and reviewed regarding questionable or inappropriate maintenance at the decision of the Chief County Assessor, during preparation for monthly revisions to the assessment roll and to be forwarded back through the supervisor, senior assessor and finally field assessor for further action. The final list of revisions except for those queried parcels, is prepared by the Data Entry staff and returned to the Chief Assessor for presentation before the Board. The withheld maintenance work is filtered back into the review process along with all other work assignments. On occasion there is instance where the Chief County Assessor makes determination that would not require field review. The Chief County Assessor will mark and sign those maintenance forms as a directive to make such change. The maintenance forms will be logged in file for the course of that affected tax year.

Date Corrective Action Was Implemented: August, 2000

Observation 10: There was no control to assure that a field check was performed for all parcels associated with building permits received.

Corrective Action Implemented By the Office of Assessment:

Data Entry personnel did previously enter building permits coding onto the mainframe computer system prior to field handling. However, the inefficiency, cumbersome time, and frequent occurrences of duplicating the coding from multiple reports caused deficiency in work output. The senior assessor was temporarily assigned responsibility for maintaining field review of the building permits manually, until a PC program could be created by the supervisor to correspond with the mainframe coding system. It is the intent of the Chief Assessor to re-automate the coding of building permits once the supervisor completes a plausible routine, assuring that field reviews will be conducted on reported parcels within every three months until added to the assessment roll.

With respect to building permit reports not properly or legibly submitted, lack of manpower and time constraints prohibit this staff from searching or guessing upon a parcel. Consequently, the taxing district should be notified and requested to verify parcel numbers. If the taxing district does not reply, the Assessment Office does simply file the reports. The Chief Assessor does direct that the filed assessors view all work areas and submit requests for maintenance on any physical changes to properties they are aware of regardless of whether the Property Record Card is coded or not.

In addition, it should be noted that the analytical conclusions made by auditor incorporated a time period where the field assessor office was either short staffed or included newer inexperienced assessors.

A report of outstanding building permit codes will continue to be generated and reviewed by the supervisor, in conjunction with the senior assessor under the new program changes instituted by the supervisor.

Improperly submitted building permit reports by municipalities will be returned to that reporting entity for clarification.

Observation 11: The method and procedures employed for the county “sweep” were not sufficiently defined or documented.

Corrective Action Implemented By the Office of Tax Claim:

The “sweep” is just an acronym for the daily routines of field assessors. This colloquial term simply references a change in procedure over actions that have always been taking place. The “sweep” simply addresses an alternative way assessors review for physical changes to properties in Beaver County. Historically, assessors have always been required to view their “work area” for any physical changes occurring to properties and to request work (maintenance) records to follow up. Today, in addition to this requirement, assessors now also conduct “drive-bys” with sets of PRC cards and are required to compare the PRC descriptions with the physical status of the property. This sweep does not replace the field process of review but simply adds to it. There are in excess of 87,000 parcels of real estate in beaver County. The Assessment Office has not established deadlines or time periods to finish this project. As a matter of fact, this process is considered as an on-going review in order to meet the statutory requirements of the Assessment Law in order for the Chief Assessor to maintain a permanent record system and to prepare an assessment roll.

The Chief County Assessor does not perceive the “sweep” review of properties as a uniformity issue. Granted, a more timely performance of this form of field check would induce a more accurate verification of physical characteristics to properties. However, lack of manpower (staff) and other statutory duties would preclude such efficiency or time lines.

Observation 12: Summarized assessment values distributed to the public and summarized school district assessment values reported to the State Tax Equalization Board did not match the assessment roll.

Corrective Action Implemented By the Office of Assessment:

Occurrence of transposition of numbers in manually prepared (typewritten) summary reports created through the Assessment Office is extremely rare and highly infrequent. However, such errors can occur considering the extremely busy schedule of personnel to meet statutory deadlines.

In any event, such inaccuracies or discrepancies should be identified or resolved prior to distribution. Consequently, the secretary to the Chief Assessor and the Chief Assessor himself have resolved to promote a more conscientious review of such reports regardless of the inundation of workload.